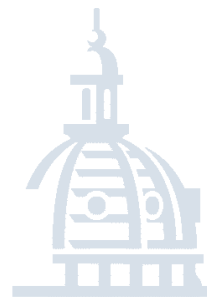


Fiscal Note

Fiscal Services Division



HF 416 – Categorical Allowable Growth (LSB2564HV)

Analyst: Shawn Snyder (Phone: 515-281-7799) (shawn.snyder@legis.state.ia.us)

Fiscal Note Version – New

Description

House File 416 sets the FY 2011 Per Pupil allowable growth rates for the teacher salary supplement, the professional development supplement, and the early intervention supplement at 0.0%.

Background

Beginning in FY 2010, the State categorical supplements will be funded on a per pupil basis based on the allocation amounts from FY 2009. Beginning in FY 2011, the per pupil amounts for the State categorical supplements will be increased by an allowable growth rate.

Assumptions

The following assumptions were used in the calculation of the FY 2011 estimate:

- FY 2009 teacher compensation allocation totaling \$251.2 million. The allocations were based on Educational Excellence Phase II and Student Achievement Teacher Quality (SATQ) Basic Teacher Compensation.
- FY 2009 SATQ Professional Development allocation totaling \$28.5 million.
- FY 2009 Early Intervention/Class Size Reduction allocation of \$29.3 million.
- School districts with enrollment declines larger than the allowable growth rate for the State categorical supplements will be held harmless at the FY 2010 funding levels (100.0% budget guarantee) in FY 2011.
- School district enrollment estimates were based on the Department of Education enrollment projections.

Fiscal Impact

The General Fund impact is a total estimated cost of \$313.1 million, an increase of \$4.1 million compared to estimated FY 2010. The total impact of HF 416 is provided in the following table. The estimated impact by school district is available at:

http://staffweb.legis.state.ia.us/lfb/docs/k-12_ed/k-12_ed.htm

Categorical Allowable Growth Rate Estimates at 0.0%

	FY 2010	FY 2011*	FY 2011 Budget Guarantee	Change	% Change
Teacher Salary Supplement					
Est. Teacher Salary Supplement	\$ 237,122,232	\$ 240,280,023	\$ 3,189,900	\$ 3,157,791	1.33%
Est.AEA Teacher Salary Supplement	14,129,924	14,296,835	162,704	166,911	1.18%
Total Teacher Salary Supplement	\$ 251,252,156	\$ 254,576,858	\$ 3,352,604	\$ 6,387,935	1.32%
Professional Development					
Est. Prof. Dev. Supplement	\$ 26,849,140	\$ 27,194,985	\$ 358,454	\$ 345,845	1.29%
Est. AEA Prof. Dev. Supplement	1,650,475	1,670,174	18,769	19,699	1.19%
Total Prof. Dev. Supplement	\$ 28,499,615	\$ 28,865,159	\$ 377,223	\$ 365,544	1.28%
Est. Early Intervention Supplement	\$ 29,250,237	\$ 29,633,070	\$ 385,564	\$ 382,833	1.31%
Total of All Supplements	\$ 309,002,008	\$ 313,075,087	\$ 4,115,391	\$ 4,073,079	1.32%

*Totals include the budget guarantee amounts.

Sources

Department of Management, School Aid File
Department of Education, Certified Enrollment file and Payment Allocation files
LSA Calculations

/s/ Holly M. Lyons

February 25, 2009

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to [Section 2.56](#), [Code of Iowa](#). Data used in developing this fiscal note, including correctional and minority impact information, is available from the Fiscal Services Division of the Legislative Services Agency upon request.
